



JOHN MORRELL & CO

WINDOW PRICING AGREEMENT

This window pricing agreement is made in two copies between

- (1) John Morrell & Co.
and
(2)

Whereas John Morrell & Co. wishes to take delivery of hogs from _____ and
whereas _____ is prepared to deliver hogs described in this agreement to
John Morrell & Co.

It is agreed as follows:

AGREEMENT PERIOD

1.01 This agreement will start on _____ and end on _____

WINDOW PRICE RANGE

2.01 The window price range is described as the range from forty dollars per hundred weight to fifty dollars per hundred weight based upon the practical top of the Iowa/Southern Minnesota plant bid at ten thirty a.m.

NUMBER OF HOGS TO BE DELIVERED

3.01 _____ agrees to deliver to John Morrell & Co. approximately _____ hogs per year under the specifications listed in this agreement. _____ may increase, at its desire, the number of hogs delivered under this agreement by thirty thousand head per year over a three year period for a total of an additional ninety thousand hogs.

PRICE QUOTE

4.01 The price quote is defined as a weight and grade base equal to the average of the previous week's Iowa/Southern Minnesota plant practical top, at ten thirty a.m., after the highest and lowest values have been removed, plus one dollar and twenty five cents per hundred weight rounded up to the nearest twenty five cents; F.O.B. John Morrell & Co., Sioux Falls, South Dakota.

ALTERATIONS

5.01 When the previous week's average of the Iowa/Southern Minnesota plant practical top, as determined under Section 4.01, is below the window range, the price quote will be adjusted by adding one half of the value obtained from subtracting the previous week's average from the bottom of the window price range. Round up to the nearest twenty five cents plus one dollar and twenty five cents.

5.02 When the previous week's average of the Iowa/Southern Minnesota plant practical top, as determined under Section 4.01, is above the window price range, the price quote will

be adjusted by subtracting one half of the value obtained from subtracting the top of the window price range from the previous week's average. Round up to the nearest twenty five cents plus one dollar and twenty five cents.

5.03 When hogs are delivered and not slaughtered the same day, fifty cents per hundred will be added to the price quote.

SPECIFICATIONS

6.01 Hogs will be delivered at a minimum desired carcass weight of one hundred seventy six pounds and a maximum desired carcass weight of two hundred twenty pounds.

6.02 Hogs delivered will maintain a backfat level under one inch measured at the midline of the last rib or cut out over fifty one percent lean on the average.

6.03 All hogs delivered must meet the specifications of the Level III status of the Pork Quality Assurance Program.

6.04 Hogs delivered under this agreement will be free from defects; these include but are not limited to abscesses, adhering lungs, mange, and arthritis.

6.05 John Morrell & Co. has the right to reject any and all hogs that do not meet the specifications described within this agreement.

DELIVERY OF HOGS

7.01 _____ will notify John Morrell & Co. before ten o'clock a.m. on Monday as to the number of hogs that will be delivered to John Morrell & Co. that week.

7.02 Hogs will be delivered on the dates and at the times specified by John Morrell & Co., where John Morrell & Co. may not demand more than thirty three percent of the hogs to be delivered under section 7.01 in one day.

7.03 John Morrell & Co. will notify _____ on the same Monday as to the date and time that the hogs will be delivered to John Morrell & Co.

CHANGES IN WEIGHT AND GRADE PROGRAM

8.01 John Morrell & Co. will allow a sixty day evaluation period after the introduction of a new weight and grade program where _____ may remove itself from the agreement if the John Morrell & Co. program is not competitive with others in the industry.

8.02 _____ must notify John Morrell & Co. of its desire to leave the agreement because of the change in its weight and grade program and then allow them sixty days to adjust the program or show where the program is not penalizing the hogs specified in this agreement.

EXCLUSIVE RIGHTS

9.01 _____ will be the only entity within _____ counties of the state of Minnesota that will be allowed to deliver hogs to John Morrell & Co. through a Window Pricing Agreement during the terms of this agreement.

9.02 These rights are not given within a ten mile radius of any buying station affiliated with John Morrell & Co. where the producer lives or raises hogs within this ten mile radius.

9.03 Exceptions to the rights specified in section nine of this agreement can also be made through the express written consent of

MISCELLANEOUS

10.01 John Morrell & Co. will perform cutting tests on selected hogs delivered from
In order to compare them to John Morrell & Co.'s specifications.

10.02 Kill sheets and checks will be sent to the individual producers who deliver hogs to
however copies of kill sheets will be sent to . . . no later
than five days after the hogs have been killed.

10.03 . . . will consult with John Morrell & Co. in determining which type of
genetics will be used in the production of hogs delivered to them.

10.04 If performance of this Agreement or any obligation under this Agreement is prevented, restricted, or interfered with by causes beyond either party's reasonable control ("Force Majeure"), and if the party unable to carry out its obligations gives the other party prompt written notice of such event, then the obligations of the party invoking this provision shall be suspended to the extent necessary by such event. The term Force Majeure shall include, without limitations, acts of God, fire, explosion, vandalism, storm or other similar occurrence, orders or acts of military or civil authority, or by national emergencies, insurrections, riots, wars, strikes, lockouts, or work stoppages. The excused party shall use reasonable efforts under the circumstances to avoid or remove such causes of nonperformance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased. An act or omission shall be deemed within the reasonable control of a party if committed, omitted or caused by such party, or its employees, officers, agents, or affiliates.

10.05 Any controversies or disputes arising out of or relating to this Agreement shall be resolved by binding arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. The parties shall endeavor to select a mutually acceptable arbitrator knowledgeable about issues relating to the subject matter of this agreement. In the event the parties are unable to agree to such a selection, each party will select an arbitrator and the arbitrators in turn shall select a third arbitrator. The arbitration shall take place at a location that is reasonably centrally located between the parties, or otherwise mutually agreed upon by the parties.

All documents, materials, and information in the possession of each party that are in any way relevant to the claim(s) or dispute(s) shall be made available to the other party for the review and copying no later than sixty days after the notice of arbitration is served.

The arbitrator(s) shall not have the authority, power, or right to alter, change, amend, modify, add or subtract from any provision of this Agreement or to award punitive damages. The arbitrator(s) shall have the power to issue mandatory orders and restrain orders in connection with the arbitration. The award rendered by the arbitrator shall be final and binding on the parties, and judgment may be entered thereon in any court having

jurisdiction. The agreement to arbitration shall be specifically enforceable under the prevailing arbitration law. During the continuance of any arbitration proceeding, the party shall continue to perform their respective obligations under this Agreement.

10.06 Both parties acknowledge that during the course of this Agreement, each may obtain voluntarily from the other, confidential information regarding the other party's business. Both parties agree to treat all such information and the terms of this Agreement as confidential and to take all reasonable precautions against disclosure of such information to unauthorized third parties during and after the term of this Agreement. Upon request by an owner, or duly authorized personnel, all documents relating to the confidential information will be returned to such owner or duly authorized personnel.

10.7 Twice a year a John Morrell & Co. representative will meet with

OTHER

11.01 The capitalized headings in this agreement are only for the convenience of reference and do not form part of or affect the interpretation of this agreement.

11.02 If any provision or part of any provision in this agreement is void for any reason, it shall be severed without affecting the validity of the balance of the agreement.

11.03 There are no representations, warranties, conditions, terms or collateral contracts affecting the transaction contemplated in this agreement except as set out in this agreement.

11.04 This agreement shall be governed by Minnesota law, and each of the parties consents to the non-exclusive jurisdiction of the courts of Minnesota to enforce any decision of any arbitrator under section 10.05 above.

Executed under seal on _____

Signed, sealed, and delivered
in the presence of:

(signature of witness)
for John Morrell & Co

(signature for John Morrell & Co.)
(Procurement Manager)